

National Minority Enterprise Development Week celebration

On the one-year anniversary of Hurricane Katrina, the SBA will kick off the national Minority Enterprise Development (MED) Week conference by selecting the National Minority Small Business Person of the Year.

The national winner is selected from among ten regional winners. The New England candidate is a small business owner from Clinton, Massachusetts.

The 24th annual MED Week conference will be held in Washington, D.C. August 29-September 1.

MED Week, held annually since 1983, recognizes minority businesses' contribution to the nation's economy.

The Rhode Island MED Week celebration will be held in November. The Rhode Island Minority Small Business Person of the Year and the MED Week activities will be announced soon.

SBA introduces podcasts for business owners

The SBA has announced the arrival of podcasting for small business owners on a range of topics to help entrepreneurs on the road to starting a new business.

The current list of podcasts include: Is Entrepreneurship for You?, Selecting a Business That Fits, Disaster Preparedness, and Financing a Small Business.

To access the SBA podcast library visit www.sba.gov/podcast.

U.S. Small Business Administration loan program helps fund nearly \$46 million in Rhode Island business construction projects



Groundbreaking ceremony for a hotel in West Warwick that was financed with an SBA 504 loan.

The U.S. Small Business Administration has helped fund \$46 million in small business construction, expansion, acquisition and improvement projects in Rhode Island since October 1, 2005, a nearly 50 percent increase over the same period last year. Funding for these 30 projects was provided through five SBA certified development companies. The SBA estimates that the projects will result in the creation or retention of more than 600 jobs.

"This represents a major injection of capital into the Rhode Island economy," said Mark S. Hayward, director of the SBA Rhode Island District Office. The SBA 504 loan program, known as the small business window to

Wall Street, is an excellent vehicle for small businesses to expand without a huge capital outlay. I urge any small business owner considering the purchase, construction, or expansion of a building or acquisition of major equipment to use this program."

The typical 504 project is structured with 50 percent of the project cost provided through a private-sector lender, 40 percent of the cost is financed with a fixed-rate debenture secured by a junior lien from a SBA certified development company. The debenture is backed by a 100 percent SBA guaranty. The final ten percent of the project cost is provided by the

(See SBA 504 loans Page 6)

Joel Szabat named SBA chief of staff

Joel Szabat has been appointed chief of staff for the U.S. Small Business Administration by SBA Administrator Steven C. Preston.

As chief of staff, Szabat will play a critical role in ensuring that the Administrator's initiatives are carried out, and will serve as one of the primary advisors to Preston and the agency's senior managers.

"Joel brings strong hands-on management experience to our team, which will be critical in partnering with me to address many of the operational opportunities and challenges we face at the SBA," said Preston. "We will build upon the many valuable programs at the SBA by emphasizing the importance of a customer-centric culture, operational responsiveness, and sophisticated financial management."

Prior to joining SBA, Szabat served the Department of Transportation as counselor for transportation infrastructure. There, he led department-wide initiatives such as the President's Management Agenda, Pandemic Flu planning, Hurricane Katrina lessons learned, and inter-agency research coordination.

In 2005, Szabat served the U.S. Embassy in Baghdad as the transportation counselor to the ambassador, directing the U.S. government's \$544 million transportation reconstruction program in Iraq.

Szabat is a graduate of Georgetown University with a B.A. in economics and government and earned an MBA from Harvard Business School. He served in the U.S. Army, where he commanded tank units patrolling the East-West German border during the Cold War.

Rhode Island Small Business Development Center opens regional offices

The new Rhode Island Small Business Development Center, is staffing five regional service centers across the state. Johnson & Wales University began hosting the RISBDC on July 1, 2006.

RISBDC executive director John Cronin said that the state administrative office is located on the 4th floor of the Richmond Building at 270 Weybosset Street in Providence. The telephone number is (401) 598-2702.

The regional offices and their service areas are:

Central and Southern Rhode Island

Central Rhode Island Chamber of Commerce, 3288 Post Road, Warwick, RI
Phone: (401) 263-5128
Ardena Lee-Fleming, Program Manager

Newport County/East Bay

Newport County Chamber of Commerce, 45 Valley Road, Middletown, RI
Phone: (401) 263-5131
Larry Gadsby, Program Manager

Northern Rhode Island

Northern Rhode Island Chamber of Commerce, 6 Blackstone Valley Place, Suite 301, Lincoln, RI
Phone (401) 263-5124
Doug Jobling, Program Manager

Pawtucket and Central Falls

Pawtucket Resource Center
268 Main Street, Pawtucket, RI
Phone (401) 263-5127
Adriana Dawson, Program Manager

Providence Metro

JWU Larry Friedman International Center for Entrepreneurship, 8 Abbott Park Place, Providence, RI
Phone (401) 263-5123
Sixcia Devine, Program Manager
Tomas Avila, Latino Business Developer

The Small Business Development Center operates under a grant from the SBA and the state of Rhode Island. It is the largest government-funded small business management and technical assistance program with 63 lead centers and more than 900 service delivery points throughout the United States and its territories.

The SBA will provide an annual grant of \$500,000 each calendar year. Johnson & Wales University must match the grant with cash and in-kind contributions.

The SBDC program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of business management. SBDC services include, but are not limited to, assisting small businesses with financial, marketing, production, organization, engineering and technical problems and feasibility studies.

Special SBDC programs and economic development activities include international trade assistance, procurement assistance, venture capital formation and rural development.

SBDCs also make special efforts to reach minorities, veterans, women and the disabled.



Mark S. Hayward

From the District Director's Desk

The summer of 2006 is coming to an end, however there are still a number of important events planned as we approach the end of the fiscal year. Among them is the *America East* SBA lender's conference that will be held in Ocean City, Maryland September 26-29. This is the first major SBA conference to be held on the east coast since our SBA Regional Conference in Newport in 2002.

I invite all SBA participating lenders, accountants and attorneys to attend this conference. There will be general and breakout sessions

covering SBA loan programs, updates on SBA programs policies, and question and answer sessions with SBA regional administrators and agency managers. SBA district directors and district lender relations specialists from Maine to Florida and as far west as Pennsylvania and Alabama will be in attendance.

The conference provides an excellent opportunity to interact with the agency's top management and learn about what's new and what's planned for SBA.

Online links to conference and hotel registration information and agenda and breakout session details listed on page 8. I look forward to seeing you in Ocean City next month.

The Rhode Island Small Business Development Center,

now hosted by Johnson & Wales University, has hit the ground running. As you know Johnson & Wales became the new host for the RISBDC on July 1.

At my request, RISBDC State Director John Cronin has engaged marketing professors from Johnson & Wales to assist small business owners on Block Island. The busy season on the island is about 12 weeks, and the J&W staff has committed to working with the business owners to help develop a marketing plan that will generate the demand for a longer tourist season on Block Island.

The RISBDC staff is in place and program offices have been established at chambers around the state. You will find the locations listed on page 2.

Enjoy the remainder of the summer.

PowerUp! and Gateway Business Forum classes begin in September

Registration for both 13-week programs are now being accepted

Registrations are now being accepted for two entrepreneurial development programs hosted by SBA resource partners.

The Center for Women and Enterprise, the SBA Women's Business Center in Rhode Island, is hosting PowerUp!, a 13-week, comprehensive entrepreneurial development program for women who wish to start or grow a small business.

The workshop sessions begin September 20 and are held every Wednesday evening from 6:00 to 9:00 at CWE, 132 George M. Cohan Boulevard, 2nd Floor, Providence, R.I. Registration fee is \$275. and includes the text book.

Class topics include, but are not limited to, writing a business plan, finding capital, develop revenue projections, cash flow, and marketing.

For more information about PowerUp!, contact CWE at (401) 277-0800.

The Rhode Island Coalition for Minority Investment, the SBA MicroLoan intermediary in Rhode Island, is hosting two Gateway Business Forum series in Warwick and Providence.

The Gateway Business Forum is a 13-week "business basics" program for individuals who wish to start their own business. Class topics include

developing a feasibility plan for the business concept, understanding business terms, and analysis of credit history.

Classes will be held at the Central R.I. Chamber of Commerce, 3288 Post Road, Warwick on Monday evenings, and at the Gensis Center, 620 Potters Avenue, Providence on Wednesday evenings.

Orientation for the Warwick program is September 18. Orientation for the Providence program is September 20. Registration fee is \$25.00

For more information contact Monah Rhodes at RICMI, (401) 351-2999, ext. 25.

RHODE ISLAND SBA BANK RANK

Fiscal Year 2006 (YTD) – October 1, 2005 to July 31, 2006

7(a) Approved Loans by SBA Lenders by Loans and Volume

1. Citizens Bank of Rhode Island	279	\$11,260,000
2. Bank of America	72	\$1,850,800
3. BankRI	67	\$6,604,100
4. The Washington Trust Company	51	\$10,080,000
5. Sovereign Bank New England	46	\$10,080,500
6. Coastway Credit Union	46	\$8,515,000
7. Westerly Community Credit Union	20	\$1,034,000
8. Capital One F.S.B.	20	\$665,000
9. Ocean Bank	11	\$4,065,000
10. BankNewport	10	\$465,000
11. Unity Bank	7	\$2,650,000
12. UPS Capital Business Credit	5	\$2,220,000
13. Webster Bank	3	\$1,400,000
14. Freedom National Bank	3	\$375,000
15. Comerica Bank	2	\$498,100
16. NewportFed	2	\$241,750
17. BankFive	2	\$203,000
18. Minority Investment Development Corporation	2	\$175,000
19. Independence Bank	2	\$150,000
20. Banco Popular	1	\$1,024,000
21. Community South Bank	1	\$571,000
22. Business Development Company of R.I.	1	\$350,000
23. CIT Small Business Lending	1	\$266,000
24. TD Bank North	1	\$250,000
25. Business Lenders LLC	1	\$247,000
26. Benjamin Franklin Bank	1	\$208,200
27. Stearns Bank	1	\$150,000
28. The Milford National Bank and Trust	1	\$100,000
29. BCP Bank	1	\$60,000
29. Newtek Small Business Finance	1	\$60,000
30. Bay State Savings Bank	1	\$25,000
31. Farmers State Bank	1	\$10,000
31. Innovative Bank	1	\$10,000
Total 7(a) Loans	659	\$65,863,450

Certified Development Companies (504 Loans)

1. Ocean State Business Development Authority	21	\$10,563,000
2. South Eastern Economic Development Corporation	3	\$2,937,000
3. Bay Colony Development Corporation	2	\$2,388,000
4. New England Certified Development Corporation	2	\$1,983,000
5. R.I. Community Development Corporation	2	\$1,366,000
Total 504 Loans	30	\$19,237,000

Participating Lenders – SBA 504 Loans

1. Coastway Credit Union	7	\$5,476,750	7. Benjamin Franklin Bank	1	\$3,337,750
2. Bank Rhode Island	6	\$2,703,000	8. Rockland Trust Company	1	\$2,000,000
3. Bank of America	3	\$5,702,000	9. Community Credit Union	1	\$912,000
4. Sovereign Bank	3	\$2,943,735	10. Commerce Bank & Trust	1	\$653,500
5. Washington Trust Co.	3	\$1,125,000	11. TD BankNorth	1	\$625,000
6. Citizens Bank	2	\$800,000	12. UPS Capital Bus. Credit	1	\$410,250

SBA MicroLoans

Rhode Island Coalition for Minority Investment	7	\$127,000
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Total Loans 696 \$85,227,450



RHODE ISLAND SUCCESS STORY

Rhode Island Bureau of Investigation & Protection Providence, Rhode Island

The Rhode Island Bureau of Investigation & Protection (RIBI) is a business contract security guard service company. Guards are assigned to protect a variety of client facilities and assets, in many cases on an around the clock, seven days a week basis. RIBI clients include office buildings, manufacturing facilities, ports, retail stores, and health care facilities. The company also provides investigation and security consulting services to businesses. Services include background checks, risk assessments, executive protection and litigation.

The company was founded in 1946. The Lupovitz family purchased RIBI from its previous owner in 1980 with the help of a SBA-guaranteed loan from the now-defunct Rhode Island Hospital Trust National Bank. They proceeded to grow the company from a few employees to over 250 guards and a dozen administrative and management personnel today.

In 2005, Sanford and Marcia Lupovitz finalized the transition of the company to their son Benjamin. However, Sanford remains an officer with the company and continues full-time in his role as a key advisor on day-to-day issues.

As with most members of a family business, Ben Lupovitz began his career with RIBI as a young man on the bottom rung of the organizational ladder. While still in college, Ben worked as a security officer for the company. Following his graduation from the University of Rhode Island in 1983, Ben became a principal partner. He also assumed responsibility for the firm's day-to-day operations.

In the ensuing 14 years, Ben has overseen RIBI's growth from a small security management company working out of the basement of the family home, to one of the largest independent security services organizations in New England. Ben's responsibility as president and CEO include business planning and strategy, marketing, policymaking, and community outreach.

RIBI's growth has been good for many families in Rhode Island and Massachusetts. Not only is the company a source of good jobs at good wages for



Benjamin Lupovitz, left, with two RIBI security guards.

employees with a variety of skills, but the company also buys the goods and utilizes the services of other small, family-owned businesses.

The company distinguishes itself from its competition by attentive customer service, constant workforce training, and the utilization of technology. Ben is focused on maintaining and growing the business through deeper penetration into existing relationships, and the acquisition of new customers. The company's success is also attributable to its stable employee base, family-friendly atmosphere, and good management.

Ben believes that RIBI's management team and guard forces are among the best in the industry, and that leaves the company poised for additional growth in 2006.

SBA seeks nominees for 2007 Rhode Island small business awards

Nominations are now being accepted for the 2007 Rhode Island Small Business Awards.

Winners will be honored during the Rhode Island Salute to Small Business celebration next spring.

Awards will be presented in 10 categories: Small Business Person of the Year, Jeffrey Butland Family-owned Business, SBA Young Entrepreneur, Small Business Exporter, Financial Services Champion, Minority Small Business Champion, Women in Business Champion, Veteran Small Business Champion, Home-based Business Champion, and Small Business

Journalist Champion.

Any individual or organization dedicated to the support of the small business community may submit nominations for these prestigious awards.

Nominees for Small Business Person of the Year must meet criteria which include being in business at least three years, growth in employment, increase in sales/unit volume, innovation, response to adversity, and evidence of contributions to his or her community.

Champion awards are presented to persons who have used their professional skills or personal talents to further public

understanding and awareness of small business. Candidates must have taken an active role in creating opportunities to promote the interests of small business.

The Rhode Island Small Business Person of the year will also have the opportunity to participate in the National Small Business Week activities and will compete for the National Small Business Person of the Year Award.

Guidelines and criteria for each of the awards and the nomination form are available from the Rhode Island District Office by calling (401) 528-4561.

SBA 504 loans

(continued from Page 1)

purchaser, or subordinated debt to SBA.

"We have funded many new construction projects, however, most of the 21 that we financed this year have been for the purchase or expansion of an existing building," said Henry "Buddy" Violet, president of Ocean State Business Development Authority, a Providence-based SBA certified development company.

Projects funded in Rhode Island this year through the 504 loan program include the construction of a \$2.27 million, 15,000 square foot office and retail building in Cranston; the construction of a new dental laboratory in Smithfield; \$5.4

million for the purchase of an 88-room hotel in Woonsocket; and \$3.5 million for the construction of an office and warehouse building for a designer and wholesaler of infant products in North Smithfield.

"We love the 504 loan program," said Bill White, president of Coastway Credit Union, the top 504 participating lender in the state this year. "This is a win-win program because it provides long-term stability for the borrower through fixed interest rates, and it also creates jobs that keep the state's economy strong."

The 504 loan program may be used to finance fixed assets such as land and improvements, including owner-occupied

buildings, grading, street improvements, utilities, parking lots and landscaping; construction of new facilities; to modernize, renovate or convert existing facilities; or to purchase machinery and equipment with a useful life of at least ten years.

There are five SBA certified development companies approved to conduct business in Rhode Island. They are: Ocean State Business Development Authority; Bay Colony Development Corporation; New England Certified Development Corporation; Rhode Island Community Development Corporation; and South Eastern Economic Development Corporation.

Including the 504 loans, the SBA has guaranteed a total of 696 loans for \$85 million in Rhode Island since October 1, 2005.

Veterans mean business!

Studies show veteran-owned businesses contribute significantly to America's economy

Veterans are a group of major significance in the nation's economy. There are more than 25 million veterans in the United States, and the SBA Office of Advocacy estimates that the number of veteran-owned firms could exceed 3.5 million.

The Veterans Entrepreneurship and Small Business Development Act of 1999 (Public Law 106-50) charged Advocacy with developing information on businesses owned by veterans and service-disabled veterans, and on their role in our economy. Advocacy has tried to fill this knowledge gap and to provide policymakers with the necessary information to make informed decisions.

Since 1999, Advocacy has commissioned a number of research studies on veterans in business. Four of these have been published since 2004, and additional projects are underway. Some of these studies' findings include the following:

Military service appears to have provided a significant proportion of veteran business owners with essential business skills; the rate of self-employed business ownership among male veterans was higher than for male non-veterans over the entire period from 1979 to 2003; and there appears to be a significant undercounting of both the number and dollar amounts

of federal prime contracts going to veteran-owned firms.

All of the studies underlying these statements can be accessed at www.sba.gov/advo/research/veterans.htm. Older Advocacy studies on veterans' issues are also available at this site.

Advocacy is actively exploring other sources of information on veterans in business. One of the most important is the Census Bureau's 2002 Survey of Business Owners, part of the economic census conducted every five years.

Preliminary data from this project indicate that veterans represented 14.1 percent of all owners of firms with employees, slightly more than their share in the overall population. However, service-disabled veterans constituted only 0.7 percent of all owners of employer firms, although they make up 1.3 percent of the U.S. population (age 25 and over).

Additional information can be accessed at www.census.gov/econ/census02/sbo/sboadvance.htm.

Assistant Advocate Joe Sobota in the Office of Inter-agency Affairs coordinates veterans' issues and research for Advocacy. For more information about the veterans' research program, contact Sobota at joseph.sobota@sba.gov, or call (202) 205-6952.

Women-owned firms increase by nearly 20 percent

The number of women-owned firms has increased by nearly 20 percent over the latest period studied, according to a report released by the SBA Office of Advocacy. During the five years between 1997 and 2002, women-owned firms grew by 19.8 percent while all U.S. firms grew by seven percent.

A wealth of data on women in the work force and women-owned business is presented in *Women in Business: A Demographic Review of Women's Business Ownership*, written by Office of Advocacy senior economist Dr. Ying Lowery.

The report uses newly released U.S. Census and other data to describe women's contributions to the economy. Statistics documented in the report include:

In 2002, women owned 6.5 million or 28.2 percent of nonfarm U.S. firms. More than 14 percent of these women-owned firms were employers, with 7.1 million workers and \$173.7 billion in annual payroll.

Women-owned firms accounted for 6.5 percent of total employment in U.S. firms in 2002 and 4.2 percent of total receipts.

Of all women business owners in 2002, 85.95 percent were White, 8.43 percent African-American, 8.33 percent of Hispanic heritage, 5.25 percent Asian, 1.23 American Indian and Alaska Native, and 0.18 percent Native Hawaiian and other Pacific Islander (total does not add to 100 percent due to some double counting across ethnic groups).

Conference scheduled for SBA lenders

SBA lenders are invited to attend the America East Conference, September 27-29, at the Carousel Resort Hotel in Ocean City, Maryland. The conference will feature general sessions and breakout sessions covering a wide variety of topics. Invited guests include representatives from the Federal Reserve and the Office of the Currency, members of Congress, staffs of House and Senate Small Business Committees, SBA Administrator Steven C. Preston and SBA senior managers.

Break-out topics will be divided into four sessions. Each session will have 5 different discussion rooms. Some sessions will repeat.

The conference will also feature an open forum with SBA senior managers.

The Conference Agenda

Thursday, September 28:

7:30 a.m. - **Exhibit booths open**

8:00 - 9:15 a.m. - **Breakfast and Opening Welcome Session**

Mary Walmsely

Chair, America East Conference

Hon. Richard W. Meehan

Mayor, Ocean City, MD

Stephanie A. Watkins

SBA Regional Administrator

Region 3

9:15 - 10:30 a.m.

Breakout Session 1

10:30 - 10:45 a.m.

Break in Exhibit Area

10:45 a.m. - Noon

Breakout Session 2

Noon - 1:30 p.m.

Lunch and Keynote Address

Steven C. Preston

SBA Administrator (invited)

1:30 - 2:45 p.m.

Breakout Session 3

2:45 - 3 p.m.

Break in Exhibit Area

3 - 4:15 p.m.



Breakout Session 4

6 p.m. - Midnight

Dinner and Beach Party

Friday, September 29:

8:00 a.m.

Exhibit booths open

8:30 - 10:00 a.m. **Breakfast and What's New with SBA?**

Michael W. Hager

Assoc. Deputy Administrator

SBA Office of Capital Access

10:00 - 11:00 a.m.

General Session

Legislative Update on SBA Programs and Policies - the Latest Congress

Jane Butler

NAGL instructor, former SBA

Assoc. Deputy Administrator

Sally Robertson

NADCO board member, former

VP for legislative affairs

Tom Cator

NAGL and NADCO lobbyist

11:00 a.m. - Noon

SBA Regional Administrators

Question and Answer

Michael Pappas

Assoc. Deputy Administrator,

SBA Office of Field Operations

(invited)

Charles E. Summers Jr.

Region 1

William Manger

Region 2

Stephanie A. Watkins

Region 3

Nuby J. Fowler

Region 4

Noon

Closing Comments

To view the latest agenda and break out session

topics, visit:

[http://registration.](http://registration.sitesolutionsworldwide.com)

[sitesolutionsworldwide.com.](http://registration.sitesolutionsworldwide.com)

To make hotel reservations at the Carousel Beachfront Hotel & Condominiums,

please call 1-800-641-0011

and ask for the *America East Conference* when making a reservation.

The America East Conference Web site also contains information about transportation from BWI International Airport and car rental information.

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